

**IDAPA 20
TITLE 07
CHAPTER 02**

20.07.02 - CONSERVATION OF CRUDE OIL AND NATURAL GAS IN THE STATE OF IDAHO

000. (RESERVED).

001. TITLE AND SCOPE.

General rules shall be statewide in application unless otherwise specifically stated. These rules set forth the policy and procedures for the conservation of crude oil and gas. (10-21-92)

002. -- 009. (RESERVED).

010. DEFINITIONS.

Unless the context otherwise requires, the words defined shall have the following meaning when found in these rules: (10-21-92)

- 01. Act.** The Idaho Oil and Gas Conservation Act, Idaho Code, Title 47, Chapter 3. (10-21-92)
- 02. Barrel.** Forty-two (42) U. S. gallons at sixty (60) Degrees F at atmospheric pressure. (10-21-92)
- 03. Blowout.** A sudden or violent escape of oil or natural gas, as from a drilling well when high formational pressure is encountered. (10-21-92)
- 04. Blowout Preventer.** A heavy casinghead control equipped with special gates or rams which can be closed around the drill pipe, or which completely closes the top of the casing. (10-21-92)
- 05. Casing Pressure.** The pressure built up between the casing and tubing when the casing and tubing are packed off at the top of the well. (10-21-92)
- 06. Casinghead Gas.** Any gas or vapor, or both gas and vapor, indigenous to an oil stratum and produced from such stratum with oil. (10-21-92)
- 07. Commission.** The Oil and Gas Conservation Commission of the state of Idaho. (10-21-92)
- 08. Common Source of Supply.** Synonymous with pool. (10-21-92)
- 09. Condensate.** Liquid hydrocarbons that were originally in the gaseous phase in the reservoir. (10-21-92)
- 10. Cubic Foot of Gas.** The volume of gas contained in one (1) cubic foot of space at a standard pressure base and a standard temperature base. The standard pressure base shall be fourteen point seventy-three (14.73) pounds per square inch absolute and the standard temperature base shall be sixty (60) Degrees F. (10-21-92)
- 11. Day.** A period of twenty-four (24) consecutive hours. (10-21-92)
- 12. Development.** Any work which actively promotes bringing in production. (10-21-92)
- 13. Developed Area.** A spacing unit on which a well has been completed that is capable of producing oil or gas, or the acreage that is otherwise attributed to a well by the Commission. (10-21-92)

14. **Director.** The Director of the Idaho Department of Lands. (10-21-92)
15. **Field.** The general area underlaid by one (1) or more pools. (10-21-92)
16. **Gas.** All natural gas and all other fluid hydrocarbons not herein below defined as oil, including condensate because it originally was in the gaseous phase in the reservoir. (10-21-92)
17. **Gas-Oil Ratio.** The volume of gas produced in standard cubic feet to each stock tank barrel of oil or condensate produced concurrently during any stated period. (10-21-92)
18. **Gas Well.** (10-21-92)
- a. A well which produces natural gas only; (10-21-92)
- b. Any well capable of producing gas in commercial quantities and also producing oil from the same common source of supply but not in commercial quantities; or (10-21-92)
- c. Any well classed as a gas well by the Commission for any reason. (10-21-92)
19. **Just and Equitable Share of the Production.** As to each person, that part of the production from the pool that is substantially in the proportion that the amount of recoverable oil or gas or both in the developed area of the person's tract(s) in the pool bears to the recoverable oil or gas or both in the total of the developed areas in the pool. (10-21-92)
20. **Lease.** A tract(s) of land which by virtue of an oil and gas lease, fee or mineral ownership, a drilling, pooling or other agreement, a rule, regulation or order of a governmental authority, or otherwise constitutes a single tract or leasehold estate for the purpose of the development or operation thereof for oil or gas or both. (10-21-92)
21. **Oil.** Crude petroleum oil and all other hydrocarbons, regardless of gravity, that are produced in liquid form by ordinary production methods but does not include liquid hydrocarbons that were originally in a gaseous phase in the reservoir. (10-21-92)
22. **Oil and Gas.** Oil or gas or both. (10-21-92)
23. **Oil Well.** Any well capable of producing oil in paying quantities. (10-21-92)
24. **Operator.** Any duly authorized person who is in charge of the development of a lease or the operation of a producing well. (10-21-92)
25. **Owner.** The person who has the right to drill into and produce from a pool and to appropriate the oil or gas that produces there from either for himself and/or others. (10-21-92)
26. **Person.** Any natural person, corporation, association, partnership, receiver, trustee, executor, administrator, guardian, fiduciary, or other representative of any kind, and includes any government or any political subdivision or any agency thereof. The masculine gender, in referring to a person, includes the feminine and the neuter gender. (10-21-92)
27. **Pool.** An underground reservoir containing a common accumulation of oil or gas or both; each zone of a structure that is completely separated from any other zone in the same structure is a pool. (10-21-92)
28. **Pressure Maintenance.** The injection of gas, water, or other fluids into oil or gas reservoirs to maintain pressure or retard pressure decline in the reservoir for the purpose of increasing the recovery of oil or other hydrocarbons therefrom. (10-21-92)
29. **Producer.** The owner of a well(s) capable of producing oil or gas or both. (10-21-92)

30. Protect Correlative Rights. The action or regulation by the Commission should afford a reasonable opportunity to each person entitled thereto to recover or receive the oil or gas in such person's tract(s) or the equivalent thereof, without being required to drill unnecessary wells or to incur other unnecessary expense to recover or receive such oil or gas or its equivalent. (10-21-92)

31. Waterflooding. The injection into a reservoir through one (1) or several wells of volumes of water for the purpose of increasing the recovery of oil therefrom. (10-21-92)

32. Waste as Applied to Oil. Underground waste; inefficient, excessive, improper use, or dissipation of reservoir energy, including gas energy and water drive; surface waste, open-pit storage, and waste incident to the production of oil in excess of the producer's above-ground storage facilities and lease and contractual requirements, but excluding storage (other than open-pit storage) reasonably necessary for building up and maintaining crude stocks and products thereof for consumption, use, and sale; the locating, drilling, equipping, operating, or producing of any well in a manner that causes, or tends to cause, reduction of the quantity of oil or gas ultimately recoverable from a pool under prudent and proper operations. (10-21-92)

33. Waste as Applied to Gas. The escape, blowing or releasing, directly or indirectly, into the open air of gas from wells productive of gas only, or gas in an excessive or unreasonable amount from wells producing oil or both oil and gas; and the production of gas in quantities or in such manner as will unreasonably reduce reservoir pressure or unreasonably diminish the quantity of oil or gas that might ultimately be produced; excepting gas that is reasonably necessary in the drilling, completing, and testing of wells and in furnishing power for the production of wells (10-21-92)

34. Well Log. The written record progressively describing the strata, water, oil, or gas encountered in drilling a well with such additional information as to give volumes, pressures, rate of fill-up, water depths, casing strata, casing record, etc., as is usually recorded in normal procedure of drilling; also, it includes electrical radioactivity, or other similar logs run, lithologic description of all cores, and all drill-stem tests, including depth-tested, cushion-used, time tool open, flowing and shut-in pressures and recoveries. (10-21-92)

35. Wildcat Well. A well drilled to discover a previously unknown pool. (10-21-92)

011. -- 014. (RESERVED).

015. SPECIAL RULES.

Special rules will be issued when required and shall prevail as against general rules if in conflict therewith. (10-21-92)

016. -- 039. (RESERVED).

040. NOTICES - GENERAL.

01. Written Authorization Required. Any written notice of intention to do work or to change plans previously approved must be filed with the director, unless otherwise directed, and must reach the director and receive his approval before the work is begun. Such approval may be given orally and, if so given, shall thereafter be confirmed by the director in writing. (10-21-92)

02. Emergency Authorization. In case of emergency, or a situation where operations might be unduly delayed, any written notice required by these rules and regulations to be given the director may be given orally or by wire and if approval is obtained, the transaction shall be confirmed in writing, as a matter of record. (10-21-92)

041. -- 049. (RESERVED).

050. PERMIT TO DRILL, DEEPEN, OR PLUG BACK.

01. Permits Required. Prior to the commencement of operations to drill, deepen, or plug back to any

source of supply other than the existing producing horizon, application shall be delivered to the Commission of intention to drill, deepen, or plug back any well for oil or gas, and approval obtained. (10-21-92)

02. Fees. A one hundred dollar (\$100) service fee must accompany each application for permit to drill, deepen, or plug back for any well on which the service fee has not been paid. No service fee is required for a permit to deepen or plug back in a well for which the fee has been paid for permit to drill unless the drilling permit has expired. (10-21-92)

03. Time Required to Commence Operations; Term of Permit. On the first anniversary of the date of issuance of a permit to drill, deepen, or plug back, said permit shall terminate and be of no further force or effect, unless the work for which the permit was issued has been started. (10-21-92)

04. Plat. The Application for Permit to Drill shall be accompanied by an accurate plat showing the location of the proposed well with reference to the nearest lines of an established public survey. Information to be included in such notice shall be the type of tools to be used, proposed depth to which the well will be drilled, estimated depth to the top of the important markers, estimated depth to the top of objective horizons, the proposed casing program, including size and weight thereof, the depth at which each casing string is to be set, and the amount of cement to be used. Information shall also be given relative to the drilling plan, together with any other information which may be required by the Commission. (10-21-92)

051. -- 0594. (RESERVED).

055. WELL TREATMENTS.

01. Well Treatment Defined. A well treatment, for the purposes of these rules, is when actions are performed on a well to acidize, fracture, or stimulate a well or the surrounding earth materials. (4-19-11)

02. Application Required. An Application for Permit to Drill required by Section 050 must include any plans for well treatment if they are known before the well is drilled. If well treatments are not covered in the original drilling permit, then application to amend the permit must be made to the Commission. Approval by the Commission is required prior to the well treatments being implemented. The Commission may deny applications that do not include the permit number, well name, well location, as-built description, and the following: (4-19-11)

- a.** Depth to perforations or the openhole interval. (4-19-11)
- b.** The source of water. (4-19-11)
- c.** Trade name and content of fluids. (4-19-11)
- d.** Type of proppants. (4-19-11)
- e.** Estimated pump pressures. (4-19-11)
- f.** Method for the storage and disposal of well treatment fluids. (4-19-11)
- g.** Size and design of storage pits, if proposed. (4-19-11)
- h.** Expected fracture length in both the horizontal and vertical directions. (4-19-11)
- i.** Information specific to hydraulic fracturing as described in Subsection 055.07. (4-19-11)
- j.** Groundwater protection plan demonstrating how groundwater resources will be protected from contamination. (4-19-11)

k. Geologic well logs identifying all potable water aquifers currently being used from the surface down to the bottom of the surface casing or 800 feet below the surface, whichever is greater, and their vertical distance from proposed treatment zones. (4-19-11)

l. Certification by a registered professional engineer that all aspects of the well construction, including the suitability and integrity of the cement used to seal the well, are designed to meet the requirements of proposed well treatments. (4-19-11)

m. Additional information as required by the Commission. (4-19-11)

03. Master Drilling/Treatment Plans. Where multiple stimulation activities will be undertaken for several wells proposed to be drilled to the same zone(s) within an area of geologic similarity, approval may be sought from the Commission for a comprehensive master drilling/treatment plan containing the information required. The approved master drilling/treatment plan must then be referenced on each individual well's Application for Permit to Drill. (4-19-11)

04. Time Limit. If a treatment approved in a drilling permit is not completed within one year, the permit will be considered expired and reapplication will be required prior to conducting the well treatment. (4-19-11)

05. Routine Activities Exempt. Routine activities that do not affect the integrity of the wellbore or the reservoir, such as pump replacements, do not require an application. (4-19-11)

06. Inspections and Reporting Requirements. The Commission may conduct inspections prior, during and after well treatments. Similar to the requirements of IDAPA 20.07.02.090, a report on the well treatment must be submitted within thirty (30) days of the treatment. The report shall present a detailed account of the work done and the manner in which such work was performed, including: (4-19-11)

a. The daily production of oil, gas, and water both prior to and after the operation. (4-19-11)

b. The size and depth of perforations. (4-19-11)

c. The quantity of sand, chemicals, or other materials employed in the operation. (4-19-11)

d. Information specific to hydraulic fracturing, as described in Subsection 055.07. (4-19-11)

e. Static pressure testing results before and after the well treatment. (4-19-11)

f. Any other information related to operations which alter the performance or characteristics of the well. (4-19-11)

07. Hydraulic Fracturing (Fracing). (4-19-11)

a. Hydraulic Fracturing, or Fracing, Defined. A method of stimulating or increasing the recovery of hydrocarbons by perforating the production casing and injecting fluids or gels into the surrounding rocks at extremely high pressures (up to 10,000 psi and higher). Sand or other materials may be in the fluids to prop open the resulting fractures, and these materials are called proppant. (4-19-11)

b. Well Integrity. Prior to the well stimulation, the operator will perform a suitable mechanical integrity test of the casing or of the casing-tubing annulus or other mechanical integrity test methods and submit an affidavit certifying that the well can withstand the anticipated treatment pressures. (4-19-11)

c. The operator shall provide geological names, geological descriptions, and depth of the formation into which well stimulation fluids are to be injected. (4-19-11)

d. The operator shall provide detailed information to the Commission as to the base stimulation fluid source. The operator or his agent shall provide to the Commission, for each stage of the well stimulation program, the chemical additives, compounds and concentrations or rates proposed to be mixed and injected, including: (4-19-11)

i. Stimulation fluid identified by additive type (such as but not limited to acid, biocide, breaker, brine, corrosion inhibitor, crosslinker, demulsifier, friction reducer, gel, iron control, oxygen scavenger, pH adjusting agent, proppant, scale inhibitor, surfactant); (4-19-11)

ii. The chemical compound name and Chemical Abstracts Service (CAS) number shall be identified (such as the additive biocide is glutaraldehyde, or the additive breaker is ammonium persulfate, or the proppant is silica or quartz sand, and so on for each additive used); (4-19-11)

iii. The proposed rate or concentration for each additive shall be provided (such as gel as pounds per thousand gallons, or biocide at gallons per thousand gallons, or proppant at pounds per gallon, or expressed as percent by weight or percent by volume, or parts per million, or parts per billion); (4-19-11)

iv. The Commission retains discretion to request the formulary disclosure for the chemical compounds used in the well stimulation(s). (4-19-11)

e. The operator shall provide a detailed description of the proposed well stimulation design, which shall include: (4-19-11)

i. The anticipated surface treating pressure range; (4-19-11)

ii. The maximum injection treating pressure shall be within accepted safety limits as approved by a registered professional engineer. Accepted safety limits are generally 80% of the maximum pressure rating of the pressurized system; (4-19-11)

iii. The estimated or calculated fracture length and fracture height. (4-19-11)

f. Upon request in the application or by written letter to the Commission, confidentiality protection shall be provided for trade secrets consistent with Idaho Code § 9-340D(1), and for “[a]rchaeological and geologic records concerning exploratory drilling, logging, mining and other excavation” consistent with Idaho Code § 9-340E(2). (4-19-11)

g. The injection of volatile organic compounds, such as benzene, toluene, ethyl benzene and xylene, also known as BTEX compounds, or any petroleum distillates into groundwater is prohibited. Water that is produced with oil and gas, and which may contain small amounts of naturally occurring petroleum distillates, may be used as well stimulation fluid in hydrocarbon bearing zones. (4-19-11)

h. During the well stimulation operation, the operator shall monitor and record the annulus pressure at the bradenhead. If intermediate casing has been set on the well being stimulated, the pressure in the annulus between the intermediate casing and the production casing shall also be monitored and recorded. If the annulus pressure increases by more than five hundred (500) pounds per square inch gauge (psig) as compared to the pressure immediately preceding the stimulation, the operator shall verbally notify the Commission as soon as practicable but no later than twenty-four (24) hours following the incident. (4-19-11)

i. The operator shall provide the Commission the following post well stimulation detail: (4-19-11)

i. The actual total well stimulation treatment volume pumped; (4-19-11)

ii. Detail as to each fluid stage pumped, including actual volume by fluid stage, proppant rate or concentration, actual chemical additive name, type, concentration or rate, and amounts; (4-19-11)

iii. The actual surface pressure and rate at the end of each fluid stage and the actual flush volume, rate and final pump pressure; (4-19-11)

iv. The instantaneous shut-in pressure, and the actual 15-minute and 30-minute shut-in pressures when these pressure measurements are available; (4-19-11)

v. A continuous record of the annulus pressure during the well stimulation; (4-19-11)

vi. In lieu of (i) through (v) above, the operator may submit the actual well stimulation service contractor's job log, without any cost/pricing data from the field ticket. If information on the actual field ticket describes a proprietary completion design and/or well stimulation design, confidentiality may be afforded per paragraph 055.07.f above. (4-19-11)

j. If the pressure did increase by more than five hundred (500) pounds per square inch gauge (psig) as described in paragraph 055.07.h above, the operator shall include a report containing all details pertaining to the incident, including corrective actions taken, as an attachment to the information provided in paragraph 055.07.i above. (4-19-11)

k. The operator shall provide information to the Commission as to the amounts, handling, and if necessary, disposal at an identified appropriate disposal facility, or reuse of the well stimulation fluid load recovered during flow back, swabbing, and/or recovery from production facility vessels. Storage of such fluid shall be protective of groundwater as demonstrated by the use of either tanks or authorized lined pits. If lined pits are authorized to store fluid for use in well stimulation, or for reconditioning, for reuse, or to hold for appropriate disposal, then appropriate steps shall be taken to protect wildlife and migratory birds. (4-19-11)

l. The Commission shall require all well treatment to be at least 500 vertical feet below potable water aquifers currently being used within 1,000 feet of the treated well. (4-19-11)

08. Well Treatments within Public Drinking Water System Delineated Well Capture Zones.

a. The Commission will not authorize pits or other methods of subsurface storage for associated fracturing fluids for well treatments within Idaho Department of Environmental Quality (DEQ) public drinking water system delineated well capture zones. Operators will be required to store and transport fracturing fluids using above ground storage facilities and tanker trucks for well treatments in these locations. (4-19-11)

b. The Commission may require the operator to complete groundwater monitoring before and after well treatment using existing water wells or installed groundwater monitoring wells (installed at the cost of the operator) for well treatments conducted within DEQ public drinking water system delineated well capture zones. The Commission shall approve the number, location, spacing and depth of any installed groundwater monitoring wells. If groundwater monitoring is required, the operator will provide the Commission with the results of the reports. (4-19-11)

056. – 059. (RESERVED)

060. TRANSFER OF DRILLING PERMITS.

No person to whom a permit has been issued shall transfer the permit to any other location or to any other person until the following requirements have been complied with: (10-21-92)

01. Prior to Drilling Well. If, prior to the drilling of a well, the person to whom the permit was originally issued desires to change the location, he shall submit a letter so stating and another application properly filled out showing the new location. No additional fee is necessary, but drilling shall not be started until the transfer has been approved and the new permit posted at the new location. (10-21-92)

02. During Drilling or After Completion. If, while a well is drilling or after it has been completed, the

person to whom the permit was originally issued disposes of his interest in the well, he shall submit a written statement to the Commission setting forth the facts and requesting that the permit be transferred to the person who has acquired the well. (10-21-92)

03. Terms for Acceptance of Transfer by Commission. Before the transfer of a drilling permit shall be recognized, the person who has acquired the well must submit a written statement setting forth that he has acquired such well and assumes full responsibility for its operation and abandonment in conformity with the law, rules, regulations, and orders issued by the Commission. If bond is required to guarantee compliance with the rules and regulations of the Commission, the person acquiring such well shall furnish bond. (10-21-92)

061. -- 069. (RESERVED).

070. BOND.

The Commission shall, except as hereinafter provided, require from the owner or operator a good and sufficient bond in the sum of not less than ten thousand dollars (\$10,000) in favor of the Commission, conditioned upon the performance of the duty to comply with the requirements of the Idaho Oil and Gas Conservation Act and the rules and regulations of the Commission, with respect to the drilling, maintaining, operating, and plugging of each well drilled for oil and gas. Said bond shall remain in force and effect until the plugging of said well is approved by the Commission, or the bond is released by the Commission. It is provided that any owner or operator in lieu of such bond may file with the Commission a good and sufficient blanket bond in a sum of not less than twenty-five thousand dollars (\$25,000), covering all wells drilled or to be drilled in the state of Idaho by the principal in said bond, and the acceptance and approval by the Commission of such blanket bond shall be in full compliance with the above provision requiring an individual well bond. The bond(s) herein before referred to shall be by a corporate surety authorized to do business in the state of Idaho or in cash. (10-21-92)

071. -- 079. (RESERVED).

080. GENERAL DRILLING RULES.

Unless altered, modified, or changed for a particular pool(s), upon hearing before the Commission, the following shall apply to the drilling of all wells: (10-21-92)

01. Wildcat and High-Pressure Conditions; Conductor Casing and Well Control Requirements. When drilling "wildcat" territory or in any field where high pressures are likely to exist, the owner shall take all precautions for keeping the well under control at all times and shall provide at the time the well is started proper high-pressure fittings and equipment. Under such conditions the conductor string of casings must be cemented throughout its length, unless other procedure is authorized or prescribed by the director, and all strings of casings must be securely anchored. (10-21-92)

02. Surface Casing Requirements; Unknown Formation and Pressure Conditions. In areas where pressure and formations are unknown, sufficient surface casing shall be run to reach a depth below all known or reasonably estimated utilizable domestic freshwater levels and to prevent blowouts or uncontrolled flows and shall be of sufficient size to permit the use of an intermediate string(s) of casing. Surface casing shall be set in or through an impervious formation and shall be cemented by the pump and plug or displacement or other approved method with sufficient cement to fill the annulus to the top of the hole, in accordance with reasonable requirements of the director. (10-21-92)

03. Surface Casing Requirements; Known Subsurface Conditions. In wells drilled in areas where subsurface conditions have been established by drilling experience, surface casing, size at the owner's option, shall be set and cemented to the surface by the pump and plug or displacement or other approved method at a depth sufficient to protect all utilizable domestic fresh water and to insure against blowouts or uncontrollable flows. (10-21-92)

04. Cement Minimum Set-Up Time. Cement shall be allowed to set a minimum of eight (8) hours under pressure before drilling the plug. The term "under pressure" as used herein will be complied with if one (1) float valve is used or if pressure is otherwise held. (10-21-92)

05. Requirements for Blowout Prevention Equipment. Unless altered, modified, or changed for a

particular pool(s) upon hearing before the Commission, blowout preventers and related equipment shall be installed and maintained during the drilling of all wells in accordance with the following rules: (10-21-92)

a. BOP equipment installed on wells in which formation pressures to be encountered are abnormal or unknown shall consist of a double-gate, hydraulically operated preventer with pipe and blind rams or two (2) single-ram-type preventers; one (1) equipped with pipe rams, the other with blind rams and an annular type preventer. In addition, upper and lower kelly cocks, pit level indicators with alarms and/or flow sensors with alarms, and surface facilities to handle pressure kicks shall be installed prior to drilling any formation with known abnormal pressure. (10-21-92)

i. Accumulators shall maintain a pressure capacity reserve at all times to provide for operation of the hydraulic preventers and valves with no outside source. (10-21-92)

ii. In all other drilling operations, BOP equipment shall consist of at least one (1) double-gate preventer with pipe and blind rams or two (2) single-ram-type preventers, one (1) equipped with pipe rams, the other with blind rams, and sufficient valving to permit fluid circulation at the surface. (10-21-92)

b. All blowout preventers, choke line, and manifold shall be installed above ground level. Casing heads and optional spools may be installed below ground level provided they are visible and accessible. (10-21-92)

c. Blowout preventer equipment and related casing heads and spools shall have a vertical bore no smaller than the inside diameter of the casing to which they are attached. (10-21-92)

d. The working pressure rating of all blowout preventers and related equipment shall equal or exceed the maximum anticipated pressure to be contained at the surface. (10-21-92)

e. All ram-type blowout preventers and related equipment, including casing, shall be tested to the full working pressure rating of said equipment upon installation, provided that components need not be tested to levels higher than the lowest working pressure rated component. Annular type blowout preventers are to be tested in conformance with the manufacturer's published recommendations. If, for any reason, a pressure seal in the assembly is disassembled, a test to a full working pressure rating of that seal shall be conducted prior to the resumption of any drilling operation. In addition to the initial pressure tests, ram-type preventers shall be checked for physical operation each trip and all components, again with exception of the annular-type blowout preventer, tested monthly to at least fifty percent (50%) of the rated pressure of the BOP equipment and/or to the maximum anticipated pressure to be contained at the surface, whichever is greater. (10-21-92)

f. The Commission may require an affidavit covering the initial pressure tests after installation signed by the operator or contractor attesting to the satisfactory pressure tests. The Commission staff is to be advised at least twenty-four (24) hours in advance of all tests. (10-21-92)

g. A schematic diagram of the BOP and well head assembly shall be submitted to the Commission staff upon application for a permit to drill. The schematic diagram should indicate the minimum size and pressure rating of all components of the well head and BOP assembly. (10-21-92)

h. Studs on all well head and BOP flanges shall be checked for tightness each week. Hand wheels for locking screws shall be installed and operational, and the entire BOP and well head assembly shall be kept clean of mud and ice. (10-21-92)

i. A drillstem safety valve shall be available on the rig floor at all times. (10-21-92)

06. Production String; Cementing and Testing Requirements. If and when it becomes necessary to run a production string, such string shall be cemented by the pump-and-plug method and shall be properly tested by the pressure method before cement plugs are drilled. (10-21-92)

07. Blowout Control (Rotary Tools); Auxiliary Mud Tanks. When drilling with rotary tools, the owner shall provide, as required by the director, an auxiliary mud pit or tank of suitable capacity and maintain therein

a supply of mud having the proper characteristics for emergency use in case of blowouts. (10-21-92)

08. Mud Pits. Before commencing to drill, proper and adequate mud pits shall be constructed for the reception and confinement of mud and cuttings and to facilitate the drilling operation. Special precautions shall be taken, if necessary, to prevent contamination of streams and potable waters. (10-21-92)

09. Well Control (Cable Tools); Fluid Containment and Gas Flaring. Natural gas or oil which may be encountered in a substantial quantity in any section of a cabletool drilled hole above the ultimate objective shall be shut off with reasonable diligence either by mudding or by casing, or other approved method, and confined to its original source to the satisfaction of the director. Any gas escaping from the well during drilling operations shall be, as far as practicable, conducted to a safe distance from the well site and burned. (10-21-92)

10. Casing Programs; General Design Requirements. Casing programs adopted for wells must be so planned as to protect any potential oil- or gas-bearing horizons penetrated during drilling from infiltration of injurious waters from other sources, and to prevent the migration of oil or gas from one horizon to another. (10-21-92)

11. Report of Fresh Waters Encountered; Operators Duties. It shall be the duty of any person, operator or contractor drilling an oil or gas well or drilling a seismic, core or other exploratory hole to report to the Commission all freshwater sands encountered; such report shall be in writing and give the location of the well or hole, the depth at which the sands were encountered, the thickness of such sands, and the rate of flow of water if known. (10-21-92)

081. -- 089. (RESERVED).

090. WELL COMPLETION/RECOMPLETION REPORT AND WELL LOG.

Within thirty (30) days after the completion of a well drilled for oil or gas, or the recompletion of a well into a different source of supply, or where the producing interval is changed, a completion report shall be filed with the Commission, on a form prescribed by the Commission. Such report shall include name, number, and exact location of the well; lease name, date of completion and date of first production, if any; name and depth of reservoir(s) if a multiple completion, from which well is producing; initial production test, including oil, gas, and water, if any; a well log as defined in Section 010; and such other information as the Commission may require. (10-21-92)

091. -- 099. (RESERVED).

100. IDENTIFICATION OF WELLS.

01. Signs; Lease Access Roads. To identify all producing leases the owner or operator thereof shall cause a sign to be placed where the principal lease road enters the lease and such sign shall show the name of the lease and the owner or operator thereof and the section, township, and range. (10-21-92)

02. Signs; Well Sites. A legible numeral shall be attached to or painted on a legible sign placed near the well to identify the well number. If a multiple completion, each well head connection shall be identified. (10-21-92)

101. -- 109. (RESERVED).

110. DESIGNATION OF AGENT.

A "Designation of Agent" shall be submitted to the director in a manner and form approved by the director prior to the commencement of operations. A Designation of Agent(s) will be accepted as authority of agent to fulfill the obligations of the owner and to sign any papers or reports required under these oil and gas operating regulations, and all authorized orders or notices given by the director when given in the manner hereinafter provided shall be deemed service of such orders or notices upon the owner and the lessee. All changes of address and any termination of the agent's authority shall be immediately reported in writing to the director and, in the latter case, the designation of a new agent(s) shall be immediately made. If the designated agent(s) shall at any time be incapacitated for duty or absent from the address provided, the owner shall designate in writing a substitute to serve in his or their stead, and in the absence of such owner or of notice of appointment of a substitute then, in such case, notices may be given by the director by delivering a registered letter to the United States Post Office at Boise, Idaho, directed to the agent(s) at the

address shown on the current Designation of Agent on file in the director's office, and such notice will be deemed service upon the owner and lessee. (10-21-92)

111. -- 119. (RESERVED).

120. SURFACE EQUIPMENT.

Meter fittings of adequate size to measure the gas efficiently for the purpose of obtaining gas-oil ratios shall be installed on the gas vent line of every separator or proper connections made for orifice well tester. Well-head equipment shall be installed and maintained in excellent condition. Valves shall be installed so that pressures can be readily obtained on both casing and tubing. (10-21-92)

121. -- 129. (RESERVED).

130. FIRE HAZARD.

Any rubbish or debris that might constitute a fire hazard shall be removed to a distance of at least one hundred (100) feet from the well location, tanks, and separator. All waste oil shall be burned or disposed of in a manner to avert creating a fire hazard. (10-21-92)

131. -- 139. (RESERVED).

140. CHOKES.

All flowing wells shall be equipped with adequate chokes or beans to properly control the flow thereof. (10-21-92)

141. -- 149. (RESERVED).

150. SEPARATORS.

All flowing oil wells must be produced through an adequate oil and gas separator or emulsion treater, provided, however, the director may approve producing wells without a separator or emulsion treater. (10-21-92)

151. -- 159. (RESERVED).

160. FIRE PROTECTION.

Dikes or firewalls shall be required where it is deemed necessary by the Commission to protect life, health, or property. Such dikes or firewalls must be erected and continuously maintained in good condition around all permanent oil tanks or batteries that are within the corporate limits of any city, town, or village, or where such tanks are closer than one hundred fifty (150) feet to any highway or inhabited dwelling, or closer than one thousand (1,000) feet to any school or church. The capacity of the dike, or firewall, shall be one and one-half (1 1/2) times the capacity of the tank(s) that it surrounds. The reservoir so formed within the dike shall be kept free from vegetation, water, and oil. (10-21-92)

161. -- 169. (RESERVED).

170. WELL DIRECTIONAL CONTROL.

01. General Restrictions; Allowable Deviation. The maximum point at which a well penetrates the producing formation shall not unreasonably vary from the vertical drawn from the center of the hole at the surface. Deviation is permitted without special permission to remedy blowouts and, for short distances, to straighten the hole, sidetrack junk, or correct other mechanical difficulties. (10-21-92)

02. Controlled Directional Drilling. Except for the purposes recited in Subsection 170.01, no well hereafter drilled may be intentionally directionally deviated from the vertical unless the operator thereof shall first file application and obtain a permit from the Commission. Such application shall contain the following information: (10-21-92)

- a.** Name and address of the operator. (10-21-92)

- b.** Lease name, well number, name of field and reservoir and county. (10-21-92)
- c.** Description of surface location and proposed location of the producing interval (footage from lease and section or block and survey lines). (10-21-92)
- d.** Reason for intentional deviation. (10-21-92)
- e.** List of offset operators and statement that each has been furnished a copy of the application by registered mail. (10-21-92)
- f.** Signature of representative of operator. (10-21-92)
- g.** Notification to offset operators that any objection they may have to the proposed intentional deviation of the well must be filed with the Commission within fifteen (15) days of receipt of a copy of the application. (10-21-92)
- h.** The application shall be accompanied by a neat, accurate plat or sketch of the lease and all offset leases showing the names of all offset operators and the surface and proposed producing interval locations of the well. Plat shall be drawn to a scale which will permit facile observation of all pertinent data. (10-21-92)

03. Copy of Application to Offset Operators. At the time the application is filed with the Commission, a copy of the application and the plat shall be forwarded by registered mail to all offset operators to the lease on which the well is to be drilled. (10-21-92)

04. Commission Action. Upon receipt, the Commission will hold the application for fifteen (15) days. If objection from any offset operator to the proposed intentional deviation is received within fifteen (15) days of receipt of the application by said operator, or if the Commission is not in agreement with the proposed deviation, the application shall be set down for public hearing. If no objection from either an offset operator or the Commission is interposed within the fifteen (15) day period, the application shall be approved and permit issued by the Commission. If written consent of the offset operator(s) is filed concurrently with the application to drill directionally, the Commission may immediately approve the application without waiting fifteen (15) days. (10-21-92)

05. Angular Deviation and Directional Survey. Upon completion, a complete angular deviation and directional survey of the well obtained by an approved well surveying company shall be filed with the Commission, together with other regularly required reports. (10-21-92)

06. Application for Exceptions. In the event the proposed, or final, location of the producing interval of the directionally deviated well is not in agreement with spacing or other rules of the Commission applicable to the reservoir, proper applications shall be made to obtain approval of exceptions to such rules. Such approval shall be granted or denied at the discretion of the Commission, and shall be accorded with the same consideration and treatment as if the well had been drilled vertically to the producing interval. (10-21-92)

171. -- 179. (RESERVED).

180. VACUUM PUMPS PROHIBITED.

The use of vacuum pumps or other devices for the purpose of placing a vacuum or any gas- or oil-bearing stratum is prohibited; however, the Commission may upon application and hearing and for good cause shown permit the use of vacuum pumps. (10-21-92)

181. -- 189. (RESERVED).

190. PULLING OUTSIDE STRINGS OF CASING.

In pulling outside strings of casing from any oil or gas well, the space outside the casing left in the hole shall be kept and left full of mud-laden fluid of adequate specific gravity to seal off all fresh and saltwater strata and any strata bearing oil or gas which is not producing. (10-21-92)

191. -- 199. (RESERVED).

200. ACCIDENTS AND FIRES.

The owner shall take all reasonable precautions to prevent accidents and fires, shall notify the director within twenty-four (24) hours of all accidents (other than personal injuries and deaths) or fires of major consequence, and shall submit a full report thereon within fifteen (15) days. (10-21-92)

201. -- 209. (RESERVED).

210. PRODUCING FROM DIFFERENT POOLS THROUGH THE SAME CASING STRING.

No well shall be permitted to produce either oil or gas from different pools through the same string of casing without first receiving written permission from the director. (10-21-92)

211. -- 219. (RESERVED).

220. MULTIPLE ZONE COMPLETIONS.

01. Requirements of the Operator; Request for Approval. A multiple zone completion may be approved by the director upon application therefor, as herein provided. The application shall be accompanied by an exhibit showing the location of wells on applicant's lease and all offset wells on leases, and shall set forth all material facts involved and the manner and method of completion proposed, including a diagrammatic sketch of the mechanical installation of the proposed well. Notice of the filing of such application shall be given by the applicant by mailing to each owner within one-half (1/2) mile of the affected well(s) a notice containing a full description of the proposed completion for which approval is requested, and proof of mailing such notice shall be made by affidavit, which shall be attached to the application showing names and addresses of those to whom notice was mailed. (10-21-92)

02. Conditions for Approval; Cause for Hearing. In the event the director is in agreement with the application and that no owner files a written objection to the application with the director within fifteen (15) days of the date of the owner's receipt of application, the application shall be approved. If any owner shall file in writing with the director an objection to such multiple completion, or if the director is not in agreement with the application, the matter shall be immediately set for hearing and Notice of Hearing duly given by the Commission. (10-21-92)

03. Zone Effectiveness; Requirement for Production Testing. The director may require such tests as he determines necessary to determine the effectiveness of the segregation of the different productive zones. (10-21-92)

221. -- 229. (RESERVED).

230. USE OF EARTHEN RESERVOIRS.

Oil shall not be produced, stored, or retained in earthen reservoirs or in open receptacles. (10-21-92)

231. -- 239. (RESERVED).

240. DISPOSAL OF BRINE OR SALT WATER.

01. Conditions for Disposal by Earthen Evaporation Pit; Impervious Floor. Brine or salt water may be disposed of by evaporation when impounded in excavated earthen pits, which may only be used for such purpose when the pit is underlaid by tight soil such as heavy clay or hardpan. (10-21-92)

02. Conditions for Disposal by Earthen Evaporation Pit; Porous Floor. When the soil under the pit is porous and closely underlaid by a gravel or sand stratum, impounding brine or salt water in such earthen pits is hereby prohibited. When such water is impounded in an earthen pit, it shall be constructed and maintained to prevent escape of such water therefrom. (10-21-92)

03. Earthen Pits; Condemnation Due to Improper Impoundment. The Commission shall have

authority to condemn any pit which does not properly impound such water and order the disposal of such water into an underground formation as herein provided. (10-21-92)

04. Earthen Pits; General Conditions for Operation. The level of brine or salt water in earthen pits shall at no time be permitted to rise above the lowest point of the ground surface level. All pits shall have a continuous embankment surrounding them sufficiently above the level of the surface to prevent surface water from running into the pit. Such embankment shall not be used to impound brine or salt water. (10-21-92)

05. Earthen Pits; Prohibition of Adjacent Land or Stream Pollution. At no time shall brine or salt water impounded in earthen pits be allowed to escape over adjacent lands or into streams. (10-21-92)

06. Disposal Wells; Pollution Prohibited. Disposal wells shall be cased and the casing cemented in such manner that damage will not be caused to oil, gas, or freshwater sources. See Section 250. (10-21-92)

241. -- 249. (RESERVED).

250. PROCEDURE FOR UNDERGROUND DISPOSAL OF WATER.

01. Approval Required. The underground disposal of salt water, brackish water, or other water unfit for domestic, livestock, irrigation, or other general uses is permitted only upon order of the Commission or upon approval of the director as provided in this rule. (10-21-92)

02. Procedures for Application. The application for underground disposal of salt water, brackish water, or other water unfit for domestic, livestock, irrigation, or other general uses shall be verified by applicant and filed with the director containing: (10-21-92)

a. A plat showing location of the disposal well(s), including abandoned and drilling wells and dry holes and the names of owners within one-half (1/2) mile of the proposed disposal well(s). (10-21-92)

b. The names, description, and depth of the formation into which water is to be injected, including a mechanical log of the proposed disposal well(s) if one is available. (10-21-92)

c. A description of the casing in the disposal well(s) or the proposed casing program and the proposed method for testing casing before use of the disposal well(s). (10-21-92)

d. A statement specifying the source of water to be injected. (10-21-92)

e. The estimated minimum and maximum amount of water to be injected daily. (10-21-92)

f. Notice of the filing of such application shall be given by the applicant by mailing to each owner within one-half (1/2) mile of the affected well(s) a notice containing a full description of the proposed disposal operation for which approval is required, and proof of mailing such notice shall be made by affidavit which shall be attached to the application showing names and addresses of those to whom notice was mailed. (10-21-92)

g. Conditions for Approval; Cause for Hearing. In the event the director is in agreement with the application and that no owner files a written objection to the application with the director within fifteen (15) days of receipt of the application, the application shall be approved. If any owner shall file in writing with the director an objection to such disposal program, or if the director is not in agreement with the application, the matter shall be immediately set for hearing and notice of hearing duly given by the Commission. (10-21-92)

251. -- 259. (RESERVED).

260. MEASUREMENT OF OIL.

The volume of production of oil shall be computed in terms of barrels of clean oil on the basis of meter measurements or tank measurements of oil-level difference made and recorded to the nearest quarter-inch (1/4") of one hundred percent (100%) capacity tables, subject to the following corrections: (10-21-92)

01. Correction for Impurities. The percentage of impurities (water, sand, and other foreign substances, not constituting a natural component part of the oil) shall be determined to the satisfaction of the director, and the observed gross volume of oil shall be corrected to exclude the entire volume of such impurities. (10-21-92)

02. Temperature Correction. The observed volume of oil corrected for impurities shall be further corrected to the standard volume at sixty (60) Degrees F in accordance with ASTM D-1250, Table 7, or any revisions thereof and any supplements thereto, or any close approximation thereof approved by the director. (10-21-92)

03. Gravity Determination. The gravity of oil at sixty (60) degrees F shall be determined in accordance with ASTM D-1250, Table 5, or any revisions thereof and any supplements thereto approved by the director. (10-21-92)

261. -- 269. (RESERVED).

270. MEASUREMENT OF GAS.

Gas of all kinds shall be measured by meter unless otherwise authorized by the director. For computing volume of gas to be reported to the director, the standard of pressure shall be fourteen point seventy-three (14.73) psia, and the standard of temperature shall be sixty (60) Degrees F. All volumes of gas to be reported to the director shall be adjusted by computation to these standards, unless otherwise authorized by the director. (10-21-92)

271. -- 279. (RESERVED).

280. GAS-OIL RATIO LIMITATION.

01. Cause for Hearing. To prevent waste resulting from the operation of wells with inefficient gas-oil ratios, the Commission may upon its own motion, or upon the application of any interested party, if reasonable cause exists, hold a hearing to determine whether waste is occurring or is imminent in a pool by reason of the operation therein of wells with inefficient gas-oil ratios. (10-21-92)

02. Determination of Inefficient Ratios; Power to Limit Production. If the Commission after notice and hearing, whether held upon its own motion, upon the application of an interested party, or pursuant to an emergency order entered as hereinafter provided for, shall find that a well(s) in the pool are operating with inefficient gas-oil ratios, and that waste is occurring or is imminent as a result thereof, it shall enter an order limiting the production of oil and gas from said pool to that amount which the pool can produce without waste and in accordance with sound engineering practice. The order shall also limit the amount of oil or gas, or both, that may be produced from any well in the pool, so that each owner is given an opportunity to produce his just and equitable share in the pool in accordance with sound engineering practice. (10-21-92)

03. Waste Prevention; Conditions for Emergency Order. To further prevent waste resulting from the production of wells with inefficient gas-oil ratios, the Commission will enter an emergency order temporarily prohibiting the production of oil or gas from all wells in a pool producing both oil and gas when: (10-21-92)

a. The director believes that waste may be occurring or is imminent in said pool by reason of the operation of wells with inefficient gas-oil ratios; or when (10-21-92)

b. An application is filed by any interested party alleging that a well(s) completed in the pool is producing therefrom at a gas-oil ratio in excess of two thousand (2,000) cubic feet of gas for each barrel of oil produced and that waste is occurring or is imminent as a result thereof. Any such applicant shall also show the name and address of each owner of a well completed in and capable of producing from said pool. (10-21-92)

04. Emergency Order; Requirement for Hearing. Any emergency order issued under this rule shall provide for a hearing to be held to determine whether waste is occurring or is imminent. The date for the hearing shall be not less than five (5) nor more than fifteen (15) days after the effective date of the emergency order and shall be specified in said order. In addition to any other notice required by the Act, the Commission shall mail a copy of said emergency order to each owner of a well completed in and capable of producing from said pool. (10-21-92)

281. -- 289. (RESERVED).

290. GAS-OIL RATIO SURVEYS AND REPORTS.

Within thirty (30) days following the completion or recompletion of each well producing oil and gas and thereafter as the Commission may require, the operator of such well shall make a gas-oil ratio test of such well and the results of such test shall be reported to the Commission within twenty (20) days after the test is made. Certain wells may be excepted from this rule by the director upon written request. Entire fields may be excepted from this rule after notice and hearing. (10-21-92)

291. -- 299. (RESERVED).

300. GAS UTILIZATION.

After the operator has completed and has had a reasonable opportunity to test a gas well, no gas from such well shall be permitted to escape into the air, and all gas produced therefrom shall be utilized without waste. (10-21-92)

301. -- 309. (RESERVED).

310. SECONDARY RECOVERY (INCLUDING WATER FLOODING) AND PRESSURE MAINTENANCE OPERATIONS.

01. Applications for Secondary Recovery Projects. (10-21-92)

a. Applications Required. Applications for water flooding or other secondary recovery operations, repressuring, or pressure-maintenance operations, cycling or recycling operations, including the extraction and separation of liquid hydrocarbons from natural gas in connection therewith, shall be filed by one (1) or more of the parties involved, or the operator of said project with the director. (10-21-92)

b. Requirements of the Application. The application for all permits for pressure maintenance or secondary recovery shall contain the following: (10-21-92)

i. Plat showing the unit, lease, or group of leases included within the proposed project. Plat shall also show the location of the proposed intake well(s) and the location of all oil and gas wells, including abandoned and drilling wells and dry holes, and the names of all operators offsetting the area encompassed within the project; (10-21-92)

ii. Formations in which all wells are currently completed; (10-21-92)

iii. Name, description, and depth of the formation (common reservoir or common source of supply) to be affected by injection; (10-21-92)

iv. Log of any existing intake well(s) or such information as is available; (10-21-92)

v. Description of the intake well's casing or the proposed casing program, and proposed method for testing casing before use of the input wells; (10-21-92)

vi. Statement as to the injection medium to be used, its source, and the estimated amounts to be injected daily; (10-21-92)

vii. Tabulations showing recent oil-gas ratios and oil and water production tests for each of the producing oil and gas wells; (10-21-92)

viii. Statement of the plan of development of the area included within the project; and (10-21-92)

ix. Names and addresses of the operator(s) of the project. (10-21-92)

c. **Notification of Adjacent Property Owners.** In addition to the notice required by law, a copy of such application shall be mailed or delivered by the applicant to each owner within three-fourths (3/4) mile of the project as shown on the application. Such copy of application shall be mailed or delivered on or before the date the application is filed with the Commission. A statement shall be attached to the application showing the parties to whom such copies have been mailed or delivered and their addresses. (10-21-92)

d. **Conditions for Approval; Cause of Hearing.** If the application has requested approval of the operation as a pilot project; if director is in agreement with the application; and if no owner within three-fourths (3/4) mile files a written objection to the application with the director within fifteen (15) days of the date of receipt of the application, the application shall be approved as a pilot project without the necessity of a hearing. In all other cases, the matter shall be immediately set for hearing. Notice of the hearing shall be given by the Commission. At any time after the approval of an operation as a pilot project, if the director or the operator of the project believes that sufficient information has been obtained so that the operation is no longer a pilot project, either of them may request a hearing before the Commission for approval of the operation. (10-21-92)

02. Casing and Cementing of Injection Wells. Wells used for injection of gas, air, or water or other extraneous fluids into the producing formation shall be cased with safe and adequate casing or tubing to prevent leakage or damage to oil, gas, or freshwater sources. (10-21-92)

03. Notice of Commencement and Discontinuance of Injection Operations. The following provisions shall apply to all injection projects: (10-21-92)

a. Immediately upon commencement of injection operations, the operator shall notify the director of the injection date. (10-21-92)

b. Within fifteen (15) days after the discontinuance of injection operations, the operator shall notify the director of the date of such discontinuance and the reasons therefor. (10-21-92)

c. Before any intake well shall be plugged, notice shall be served to the director by the owner of said well, and the same procedure shall be followed in the plugging of such well as provided for the plugging of oil and gas wells. (10-21-92)

04. Records and Reports. Each operator of a pressure maintenance or secondary recovery project shall keep accurate records showing oil produced, injected volumes, and injection pressure. Each operator shall file with the director a monthly report which shall show all produced and injected volumes and other data as required by the Commission. (10-21-92)

311. -- 319. (RESERVED).

320. WELL PLUGGING.

01. Plugging Required. The operator or owner shall not permit any well drilled for oil, gas, saltwater disposal or any other purpose in connection with the production of oil and gas, to remain unplugged after such well is no longer used for the purpose for which it was drilled or converted. (10-21-92)

02. Notice of Intention to Abandon Well. Before beginning abandonment work on any well, whether drilling well, oil or gas well, injection well, or so-called dry hole, a Notice of Intention to Abandon shall be filed with the director and approval obtained as to the method of abandonment before the work is started. The notice must show the reason for abandonment and must give a detailed statement of the proposed work, including such information as kind, location, and length of plugs (by depths), and plans for mudding, cementing, shooting, testing, and removing casing as well as any other pertinent information. (10-21-92)

03. Plugging of Wells. The owner of any well drilled for oil or gas, or any seismic, core, or other exploratory holes, whether cased or uncased, and regardless of diameter shall be responsible for the plugging of said hole in a manner sufficient to properly protect all freshwater-bearing and possible or probable oil- or gas-bearing formations in agreement with the requirements of the director. No substances of any nature or description other than

those normally used in plugging operations shall be placed in any well at any time during plugging operations. (10-21-92)

04. Subsequent Report of Abandonment. If a well is plugged or abandoned, a subsequent record of work done must be filed with the director. This report shall be filed separately within thirty (30) days after the work is done. The report shall give a detailed account of the manner in which the abandonment of plugging work was carried out, including the weight of mud, the nature and quantities of materials used in plugging, the location and extent (by depths) of the plugs of different materials, and the records of any tests or measurements made and of the amount, size, and location (by depths) of casing left in the well. If an attempt was made to part any casing, a complete report of the method used and the results obtained must be included. (10-21-92)

05. Wells Used for Fresh Water. When the well, seismic, core, or other exploratory hole to be plugged may safely be used as a fresh water well, and such utilization is desired by the landowner, the well need not be filled above the required sealing plug set below fresh water; provided that written authority for such use is secured from the landowner and in such written authority, the landowner assumes the responsibility to plug the well upon its abandonment as a water well in agreement with applicable law. Such written authority and assumption of responsibility shall be filed with the director. (10-21-92)

321. -- 329. (RESERVED).

330. WELL SPACING.

In the absence of an order by the Commission setting spacing units for a pool, the following rules shall apply: (10-21-92)

01. Wells Drilled for Oil; Standard Spacing Unit and Well Location. Every well drilled for oil must be located in the center of a forty (40) acre governmental quarter quarter section, lot or tract, or combination of lots or tracts substantially equivalent thereto as shown by the most recent governmental survey, with a tolerance of two hundred (200) feet in any direction from the center location; provided that no oil well shall be drilled less than nine hundred twenty (920) feet from any other well drilling to or capable of producing oil from the same pool, or no oil well shall be completed in a known pool unless it is located more than nine hundred twenty (920) feet from any other well completed in and capable of producing oil from the same pool. (10-21-92)

02. Wells Drilled for Gas; Standard Spacing Unit and Well Location. Every well drilled for gas must be located on a drilling unit consisting of approximately six hundred forty (640) contiguous surface acres, which shall be one governmental section or lot(s) equivalent thereto, upon which there is not located, and of which no part is attributed to, any other well completed in or drilling to the same pool. In areas not covered by United States Public Land Surveys, such drilling unit shall consist of an area which is: 1) bounded by four (4) sides intersecting at angles of not less than eighty five (85) degrees or more than ninety five (95) degrees; 2) the distance between two (2) points farthest apart thereon shall not exceed eight thousand five hundred (8,500) feet; and 3) shall contain at least six hundred (600) contiguous surface acres. In areas covered by United States Public Land Surveys, such drilling unit shall consist of one governmental section containing not less than six hundred (600) surface acres. Each well drilled for gas shall be located within a square, each side of which is one thousand six hundred sixty (1,660) feet in length and parallel to a center line of the section. The center of such square shall coincide with the geometric center of the section. (10-21-92)

03. Well Locations Adjacent to Spaced Areas. The Commission shall have the discretion to determine the pattern location of wells adjacent to an area spaced by the Commission, or under application for spacing where there is sufficient evidence to indicate that the pool or reservoir spaced or about to be spaced may extend beyond the boundary of the spacing order or application, and the uniformity of spacing patterns is necessary to insure orderly development of the reservoir pool. (10-21-92)

04. Exceptions to Location of Wells and Well-Spacing Orders. Upon proper application therefor, the director may approve, as an administrative matter, an exception to Subsections 330.01 and 330.02 or any order of the Commission establishing well spacing for a pool. If for any reason the Commission shall fail or refuse to approve such an exception, the director may, after notice and hearing, grant the exception. The application for an exception shall state fully the reasons why such an exception is necessary or desirable and shall be accompanied by a plat showing:

(10-21-92)

a. The location at which an oil or gas well could be drilled in compliance with Subsections 330.01 or 330.02 or the applicable order; (10-21-92)

b. The location at which the applicant requests permission to drill; and (10-21-92)

c. The location at which oil or gas wells have been drilled or could be drilled, in agreement with Subsections 330.01 or 330.02 or the applicable order, directly or diagonally offsetting the proposed exception. No exception shall prevent any owner from drilling an oil or gas well on adjacent lands, directly or diagonally offsetting the exception, at locations permitted by Subsections 330.01 or 330.02 or any applicable order of the Commission establishing oil or gas well-spacing units for the pool involved. (10-21-92)

331. -- 339. (RESERVED).

340. UNIT OPERATIONS.

Any person desiring to obtain the benefits of Section 47-323, Idaho Code, relating to any method of unit, cooperative development, or operation of a field or pool or a part of either, shall file an application with the director for approval of such agreement which shall have attached a copy of such agreement. Notice of the hearing of such application shall be given by publication in a newspaper of general circulation in Ada County, Idaho, and the county of the unit operation. (10-21-92)

341. -- 349. (RESERVED).

350. WRITTEN NOTICES, REQUESTS, PERMITS AND REPORTS.

The Commission shall adopt such forms of notices, requests, permits, and reports as it may deem advisable or necessary in carrying out the provisions of law and its rules and regulations. (10-21-92)

351. -- 359. (RESERVED).

360. GEOPHYSICAL OPERATIONS.

01. Notice to Inhabitants. Before a geophysical contractor conducts surface shooting operations, he shall give notice to an occupant of every inhabited dwelling within a one-mile radius of each shot point. Such notice shall be given in writing or by in-person contact. The notice shall tell the occupant of the nature and approximate time period of the seismic surface shooting activity. (10-21-92)

02. Permit Required. Before beginning seismic shothole operations in the state of Idaho, a representative of the client company and the seismic contractor shall meet with the staff of the Commission and file an application for a permit to conduct seismic operations. No seismic operation shall be conducted without such a permit. The director has discretion to waive the requirement of the pre-permit meeting for the client company. The permit for seismic operations may be revoked or suspended or the application for the permit denied by the Commission or director for failure to comply with the Commission's rules, statutes, and orders. The director may revoke, suspend, or deny the application for a seismic permit without a hearing; provided that the seismic contractor shall be given an opportunity for a hearing at the next regularly scheduled Commission meeting. The fact that a permit is revoked or suspended does not excuse the seismic contractor or client company from properly plugging existing seismic holes but does prohibit the person(s) from drilling any more. The application for a permit for seismic operations must include: (10-21-92)

a. The approximate number, depth, and location of the seismic holes and the size of the explosive charges. The application shall be accompanied by a map with a scale of one inch equaling two (2) miles that shows the depth and location of the shotholes. (10-21-92)

b. The name and permanent address of the client company the Commission or director may contact about the seismic operation. (10-21-92)

c. The name, permanent address, and phone number of the seismic contractor and his local representative whom the Commission or director may contact about the seismic activity. (10-21-92)

d. The name, phone number, and permanent address of the hole plugging contractor, if different from the seismic contractor. (10-21-92)

e. A detailed description of the hole plugging procedures. (10-21-92)

f. The anticipated starting date of seismic and plugging operations. (10-21-92)

g. The anticipated completion date of seismic and plugging operations. (10-21-92)

h. A description of the identifying mark that will be on the hat or nonmetallic plug to be used in the plugging of the seismic hole. (10-21-92)

03. Bond Required. Before beginning geophysical operations, the geophysical contractor must file and have approved by the director a bond in the amount of ten thousand dollars (\$10,000). The condition of such bond shall comply with the Oil and Gas Conservation Law, the rules and orders of the Commission, and orders of the director and/or his duly authorized representatives. The obligation of the bond shall not be discharged until the geophysical contractor has complied with the Oil and Gas Conservation Law, the Commission's rules, and the orders of the Commission and director and their agents. Provided, upon verified application, the director may waive or modify this bonding requirement for geophysical contractors based on the amount of potential damage from the contemplated operation. (10-21-92)

a. Persons or other entities who engage in the plugging of seismic holes and are not a regular full-time employee of the seismic company or operator shall have posted with the director a surety bond in favor of the Commission. Said bond shall be on a form prescribed by the Commission and in the amount of five thousand (\$5,000). The condition of the bond shall comply with the Oil and Gas Conservation Law and the regulations and orders of this Commission and the director and their duly authorized agents and employees. (10-21-92)

04. Reports and Notices Required. (10-21-92)

a. Activity Report. Upon completion of the seismic activity or at thirty (30) day intervals after the work has commenced, whichever occurs first, the seismic contractor shall file with the director a report of the completion or progress of the seismic project. The final completion report shall be in affidavit form and shall include a seven and one-half (7.5) - or fifteen (15) minuted United States Geological Survey topographic quadrangle map (at a scale of one (1) inch equals two thousand (2,000) feet or one (1) inch equals four thousand (4,000) feet that shows section, township, and range) and the location of each shothole so that the shotholes can be easily located. The final completion report shall also include a statement that all work has been performed in compliance with the application for a permit to perform seismic activity, Commission Rule 360, and permit provisions. Said maps, applications, and reports shall be kept confidential by the Commission for a period of five (5) years from the date of receipt, subject to the needs of the director to use them to enforce these regulations, the Oil and Gas Conservation Law, and the orders of the Commission or director. Also, the owner of the surface of the land may be advised of the location of seismic lines or seismic holes on his land and of the exploration method used. (10-21-92)

b. Plugging Notice. Seismic contractors shall give the Commission or director at least twenty-four (24) hours advance notice of shothole plugging operations, provided that notice of plugging operations planned for Sunday or Monday may be given on the previous Friday. (10-21-92)

c. Other Notices. Before beginning geophysical operations other than seismic operations, the geophysical contractor shall file a notice of intention to do so with the Commission. Said notice shall describe the geophysical method to be used and be accompanied by a map of a scale of one inch equals two (2) miles showing the location of the project. (10-21-92)

05. Client-Contractor Responsibility. The client company may be held responsible along with the seismic contractor for conducting the operation in compliance with the Commission's rules and orders, the director's

orders, and the Idaho Oil and Gas Conservation Law for the seismic contractor's failure to comply with such rules, statutes, and orders. The hats used in the plugging of seismic holes shall be imprinted with the name of the contractor responsible for the plugging of the hole. (10-21-92)

06. Plugging. Unless the seismic contractor can prove to the satisfaction of the director that another method will provide better protection to groundwater and long-term land stability, seismic shothole operations shall be conducted in the following manner: (10-21-92)

a. When water is used in conjunction with the drilling of seismic shotholes and artesian flow is not encountered at the surface, seismic holes are to be filled with a high grade bentonite/water slurry mixture. Said slurry shall have a density that is at least four percent (4%) greater than the density of fresh water; said slurry shall also have a Marsh funnel viscosity of at least sixty (60) seconds per quart. Density and viscosity are to be measured prior to adding cuttings to the slurry. Cuttings not added to the slurry are to be disposed of in accordance with Subsections 360.06.f. of this rule. Any other suitable plugging material commonly used in the industry may be substituted for the bentonite/water slurry as long as the physical characteristics of said substitute are at least comparable to those of the bentonite/water slurry. Between November 1 and May 1, coarse ground bentonite approved by the director shall be used as a plugging material. (10-21-92)

b. The hole will be filled with the slurry from the bottom up to a depth of three (3) feet (three (3) feet below ground level). A nonmetallic plug will be set at this depth of three (3) feet, and the remaining hole will be filled and tamped to the surface with cuttings and native soil. (10-21-92)

c. When drilling with air and nonartesian water is encountered, the hole shall be plugged with the slurry mixture, or coarse ground bentonite, as specified in Subsections 360.06.a., supra. (10-21-92)

d. When drilling with air only and in completely dry holes, plugging may be accomplished by returning the cuttings to the hole, tamping the returned cuttings to the above-referenced depth of three (3) feet, and setting the permaplug topped with more cuttings and soil as per Subsection 360.06.b. above. A small mound will be left over the hole for settling allowance. (10-21-92)

e. The foregoing seismic holes shall be properly plugged and abandoned as soon as practical after the shot has been fired; however, a shot hole shall not be left unplugged for more than thirty (30) days without approval of the director. (10-21-92)

f. Any slurry, drilling fluid, or cuttings which are deposited on the surface around the seismic hole will be raked or otherwise spread out to at least within one (1) inch of the surface, so that the growth of the natural grasses or foliage will not be impaired. (10-21-92)

g. Seismic shothole operations will not be conducted within one-quarter (1/4) mile of any building or water well, flowing spring, or stockwater pipeline. (10-21-92)

h. Guidelines. Subsections 360.06.a. through 360.06.g. above may be modified by any reasonable written agreement between the seismic company and the surface owner. (10-21-92)

i. If artesian flow (water flowing at the surface) is encountered in the drilling of any seismic hole, cement will be used to seal off the water flow thereby preventing cross-flow, erosion, and/or contamination of freshwater supplies. Said holes shall be cemented immediately, unless severe weather conditions prevent access. Landowners may assume liability for seismic holes that are capable of conversion to water wells by sending a letter assuming such liability to the director and filing an application for appropriation of underground water with the Department of Water Resources. (10-21-92)

j. After completing the plugging of seismic shot holes and spreading the cuttings as required by this rule, the seismic contractor shall mark the exact location of the seismic hole with a wooden stake that extends approximately two (2) inches above ground. This requirement may be waived by the director if the landowner consents to it. (10-21-92)

361. -- 999. (RESERVED).